



# Iowa Medicaid Newsletter Endeavors Update

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**Kim Reynolds, Lt. Governor**

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*A Communications Effort to Strengthen Partnerships July 2013*

## Iowa Medicaid Director's Column



Welcome to the July 2013 edition of the IME Newsletter. As the new state fiscal year begins, we're seeing great progress on some of Iowa Medicaid's major initiatives. We continue to work daily to develop the Iowa Health and Wellness Plan. As we enter the stakeholder input phase of the plan development, I encourage you to review the waivers and attend meetings to learn more. This summer, Iowa Medicaid has kicked off the stakeholder input process for the State Innovation Model (SIM) grant. The design process has been an exciting time for both staff and stakeholders across the state. We look forward to the final design recommendations and participating in the transformations in Iowa's health care delivery system (see related story on page 4). The Iowa Medicaid Enterprise has also begun work on the Balancing Incentive Payment Program (BIPP). The program aims to balance state spending on long term supports and services and will also include a robust stakeholder process. We look forward to collaborating with our partners throughout the state in the coming months and appreciate your commitment to improving our health care system.

### Special points of interest:

- Nolan's Story: How the Health and Disability Waiver Helped His Family
- Iowa Health and Wellness Plan Update
- Iowa Health and Wellness Plan Monthly Feature: Medically Frail
- State Innovation Model (SIM) Stakeholder Process Kicks Off
- IowaCare Transition
- Key Cost Containment Strategies for SFY14

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## \$40 Million in Savings in Program Integrity Surpasses Prior Years

The Iowa Medicaid Program Integrity Unit has saved over \$40 million in State Fiscal Year (SFY)2013, exceeding savings from the previous two years. Combined with the savings from the first two years, Program Integrity has saved taxpayers close to \$90 million. Savings and recoveries were achieved through a variety of efforts which included:

- Inpatient readmissions within seven days of discharge where claims grouped into identical diagnosis related groups (DRG)
- Algorithm programs run for dental services, global fees, crossover and pharmacy errors
- Identification and correction of incorrect mass adjustments
- Other data entry and scanning errors identified

The SFY2013 savings have had a great impact on the Iowa Medicaid program.

## Nolan's Story: How the Health & Disability Waiver Helped His Family

*"When you have a child with special needs, your personal needs are put on the back burner. Respite care allowed us to actually have a moment to breathe."*

*-Jacky, mother of Nolan*

Nolan's story, as told by his mother, Jacky

Our journey with having a child with special needs began when our second son was born three months prematurely. At 10-days-old, a life threatening infection took over his body and caused major damage to his brain and organs.

The first year and a half of his life was very difficult. It was filled with hospital stays, surgeries, procedures, tests and eventually multiple diagnoses. After the diagnosis of Cerebral Palsy came, therapy began. Our lives were (and still are) consumed with multiple therapies each week and follow-up visits with numerous doctors. Caring for our son became a full time job and life was not easy. Having a child with special needs was a whole new, (exhausting!), world to our family. When Nolan was a baby, we applied for the Health & Disability Waiver (formerly the III & Handicapped Waiver). We were on the waiting list for 18 months. When a slot opened up, we were overjoyed, but we had no idea how positively a slot on the Health & Disability Waiver would impact our family.

First, we were able to receive agency services such as respite care. Respite provided us, (especially me, as mom) a break. It was wonderful. I couldn't believe that I would actually have time to go and have coffee with a friend, or spend time reading a book or doing errands. When you have a child with special needs, your personal needs are put on the back burner. Respite care allowed us to actually have a moment to breathe.

Secondly, Nolan was able to receive Medicaid as a secondary insurance. This was a huge financial help to our family. The cost of copays and deductibles had been mounting over the past 18 months. Medicaid helped defray the cost of those things and, in turn, helped to ease the financial burden that was on our family.

Today, Nolan is 5-years-old and we are grateful for his slot on the Health & Disability Waiver. It has been a huge blessing to our family.



Nolan, 5 years old

## Iowa Health and Wellness Plan Update

The Iowa Medicaid Enterprise is diligently working to complete the requirements to launch the Iowa Health and Wellness Plan. Since the plan was enacted by the Legislature and signed by Governor Branstad, staff have been working to outline plan details and operational impacts. The new plan has required creative vision and innovative thinking in order to meet the aggressive implementation date. Iowa Medicaid is confident in the strategy of the plan and continues to work closely with the Centers for Medicare & Medicaid Services (CMS) to finalize details.

On July 15, drafts of the waivers for the plan were released for the 30-day public comment period. CMS requested that two waivers be developed, one for the Wellness Plan (0-100 percent of the Federal Poverty Level) and one for the Marketplace Choice Plan (101-133 percent of the Federal Poverty Level).

Along with the release of the waivers was the announcement of two additional public hearing dates. The public hearings will offer a question and answer session and will be attended by DHS Director Palmer and Medicaid Director Vermeer.

Those who are unable to attend the hearings but would still like to submit comments, should look for instructions at: <http://www.ime.state.ia.us/iowa-health-and-wellness-plan.html>

Once the public comment period has ended, Iowa Medicaid will formally submit the waivers to CMS. The delayed submission should have no impact on the waiver implementation date of January 1, 2014.

Iowa Medicaid encourages stakeholders to review the draft waivers to learn about the plan.

Below is a timeline for implementation of the plan:

| Timeline                       | Event  |
|--------------------------------|--|
| July 15, 2013                  | Draft Waivers Released for Public Comment                    |
| July 29, 2013<br>July 30, 2013 | Public Hearings Held   |
| August 20, 2013                | Waivers Submitted to CMS                                     |
| August 2013– January 2013      | Public Outreach & Education                                  |
| October 1, 2013                | Beginning of Open Enrollment Period<br>Applications Accepted |
| December 31, 2013              | IowaCare Program Ends  |
| January 1, 2014                | Iowa Health and Wellness Plan Coverage Begins                |

Continue to look for the most up-to-date information on the Iowa Health and Wellness Plan at: <http://www.ime.state.ia.us/iowa-health-and-wellness-plan.html>.

*Drafts of the Iowa Health and Wellness Plan waivers are accessible now and public comments may be submitted through August 15, 2013*

## Iowa Health and Wellness Plan Monthly Feature: Medically Frail

In order to help educate stakeholders about all aspects of the new Iowa Health and Wellness Plan, each month *Endeavors Update* will highlight a specific feature or policy related to the plan. This month's feature will focus on medically frail, what it means, who it impacts and how it will work within the plan.

Beginning January 1, 2014, Iowa will provide Medicaid coverage to individuals ages 19-64 with income up to and including 133 percent of the Federal Poverty Level (FPL). This coverage group is called the Iowa Health and Wellness Plan.

Coverage within the Iowa Health and Wellness Plan will be provided in two income-based categories. The first will be for those with income up to and including 100 percent of the FPL, and these individuals will receive coverage in the Wellness Plan. The second will provide coverage to those with income 101 percent FPL up to and including 133 percent FPL through the Marketplace Choice Plan.

Individuals enrolled in the Iowa Health and Wellness Plan who have serious and complex medical conditions (medically frail) however, will need more comprehensive services and will be able to choose if they'd like to receive benefits through the Medicaid State Plan (regular Medicaid benefits).

The Centers for Medicare & Medicaid Services (CMS) defines medically frail as individuals with: "disabling mental disorders (including children with serious emotional disturbances and adults with serious mental illness), individuals with chronic substance use disorders, individuals with serious and complex medical conditions, individuals with a physical, intellectual or developmental disability that significantly impairs their ability to perform one or more activities of daily living, or individuals with a disability determination based on Social Security criteria."

Iowa Medicaid is finalizing the process for identifying Iowa Health and Wellness Plan applicants who are medically frail. However, at this time, Iowa Medicaid intends to screen all applicants and any applicants who meet the medically frail criteria will be able to receive benefits in the Medicaid State Plan. Members will be notified after the enrollment process of their coverage options.

For additional details about the medically frail process, review the draft waivers and look for future newsletter updates.

Draft waivers may be accessed at: <http://www.ime.state.ia.us/iowa-health-and-wellness-plan.html>

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## IowaCare Transition Update

As mentioned in the June edition of *Endeavors Update*, the Centers for Medicare & Medicaid Services (CMS) approved a cap to enrollment in the IowaCare program. The cap request was effective July 1, 2013, and means no new members will be accepted into the program.

**Current IowaCare members will continue to receive services until December 31, 2013, as long as they remain otherwise eligible.**

All current members will have eligibility extended until December 31, 2013, and no renewals will be required from July- December 2013. Members will only be cancelled for non-payment of premiums, if a member turns 65, moves out of state, or gets other health insurance.

The cap was requested in part to assist with the transition to the Iowa Health and Wellness Plan, which will begin coverage on January 1, 2014. Current IowaCare members will be able to apply for the Iowa Health and Wellness Plan as well as other Health Insurance Marketplace plan coverage beginning October 1, 2013.

Iowa Medicaid will be reaching out to current IowaCare members throughout the summer and fall to help with the transition process.

| Timeline                     | Event   |
|------------------------------|---|
| July 1, 2013                 | IowaCare Enrollment Closed to New Members   |
| July 1 -December 31, 2013    | Eligibility Extended to All Current IowaCare Members  |
| August- September 2013       | IowaCare Members Notified of Eligibility Extension  |
| Late Summer- Early Fall 2013 | Outreach Begins to IowaCare Members for Transition  |
| October 1, 2013              | IowaCare Members May Begin Applying for New Coverage  |
| Late 2013                    | Additional Outreach to Ensure Members Find Coverage   |
| December 31, 2013            | IowaCare Ends   |
| January 1, 2014              | Iowa Health and Wellness Plan Coverage Begins<br>Health Insurance Marketplace Coverage Begins |

People who are not currently enrolled and need help with medical care may apply for Medicaid. If a person is not currently eligible for a Medicaid program, it may be necessary for the person to seek services from other resources such as federally qualified health centers, free clinics, charity care, and other programs in the community. Beginning on October 1, 2013, applications can be filed for the new Iowa Health and Wellness Plan and other Health Insurance Marketplace plans for coverage that will start on January 1, 2014.

## State Innovation Model Grant Stakeholder Process Kicks Off

The State Innovation Model (SIM) grant stakeholder workgroup process has begun. In the beginning of July, workgroup appointees were announced for each of the five workgroups. Appointees represent a broad array of industry leaders throughout the state.

### Workgroups include:

- Steering Committee
- Metrics and Contracting
- Long Term Care
- Mental Health and Substance Abuse
- Member Health Engagement

*\*Plans for a sixth consumer-focused workgroup are still in progress.*

Workgroups will meet four times to discuss how to develop new payment and service delivery models for Iowa's health care system, as they relate to Medicaid. Workgroup sessions are open to the public. Sessions will be held in Des Moines at the Iowa State Capitol Building, located at 1007 East Grand Avenue in House Controlled Room 102. To view a full schedule of workgroup dates and times, visit: [http://www.dhs.state.ia.us/uploads/SIM\\_Comm\\_Insert.pdf](http://www.dhs.state.ia.us/uploads/SIM_Comm_Insert.pdf).

In addition to the workgroup sessions, a variety of listening sessions will be held throughout the state. The listening sessions are intended to explain the SIM as well as the Iowa Health and Wellness Plan to providers and other interested stakeholders. Listening sessions will be conducted by Medicaid Director Vermeer and if schedule allows, DHS Director Palmer.

### Listening Sessions will be held:

- August 13 in Ottumwa
- August 16 in Newton
- August 27 in Council Bluffs
- August 30 in Cedar Rapids
- September 13 in Fort Dodge
- September 17 in Waterloo

To learn more about the SIM grant and the planning process, visit:  
<http://www.ime.state.ia.us/state-innovation-models.html>

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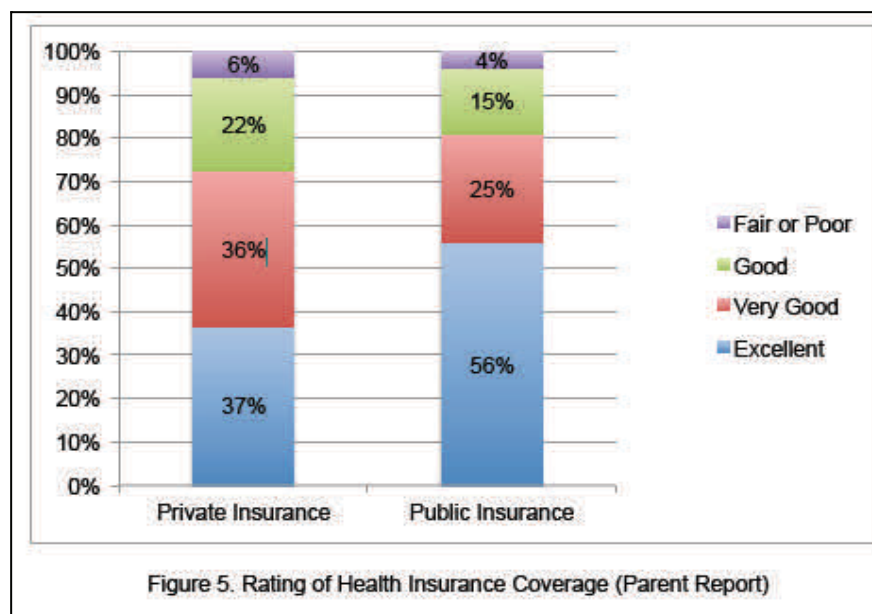
## Public Insurance Satisfaction High for Iowa Children

The University of Iowa Public Policy Center frequently produces studies related to health care policy. The Public Policy Center recently released a report indicating that public insurance was rated higher in satisfaction than private insurance for children in Iowa.

The statewide survey was sent to parents and families in Iowa and evaluated various opinions of both public and private insurance. The survey found 56 percent of respondents rated public insurance as “excellent” compared to 37 percent for private insurance.

The survey also found that more than 25 percent of children ages four and under were covered by Medicaid or *hawk-i* (Healthy and Well Kids in Iowa).

To access the full report: [http://ppc.uiowa.edu/sites/default/files/uploads/health\\_insurance\\_in\\_iowa.pdf](http://ppc.uiowa.edu/sites/default/files/uploads/health_insurance_in_iowa.pdf)



## DHS Council Hold Annual Budget Hearing

The Department of Human Services Council held the annual public hearing on the State Fiscal Year 2015 (SFY2015) budget on July 10, 2013. A variety of stakeholder organizations were represented at the hearing and provided testimony. Please look for further updates regarding the SFY2015 budget in future editions of the newsletter as the budget requests are developed.



## Key Cost Containment Strategies for State Fiscal Year 2014

Consistent with the Iowa Legislature's direction to implement the first round of new cost containment strategies for state fiscal year 2014 in order to ensure the sustainability of the Medicaid program, the Iowa Medicaid Enterprise (IME) has launched key cost containment initiatives in July designed to meet savings goals. The list of key cost containment initiatives designed to create savings for the Medicaid program includes:

- Eliminating reimbursement for elective, non-medically necessary C-Sections
- Prior authorization for swing bed admission and continued stays that are longer than 14 days
- Limiting the number of state-paid background checks for home and community based services (HCBS), consumer directed attendant care (CDAC) and consumer choice option (CCO) providers
- Integrate mental health services under a managed care plan with Magellan
- Replace Targeted Care Management (TCM) with Integrated Health Home (IHH) for adults with chronic mental illness

Additional initiatives to contain costs are on track to launch in the fall and early 2014. The cost containment initiatives do not include any across the board service or coverage cuts, provider rate reductions or reductions in eligibility, which shows commitment to maintaining the program.

For additional details on some of the strategies, see Informational Letters 1260 (C-Sections), 1245 (swing beds), 1248 (Magellan):

<http://www.ime.state.ia.us/Providers/Bulletins/Bulletins2013.html>.

Other cost containment strategies for SFY14 can be found in Senate File 446:

<https://www.legis.iowa.gov/index.aspx>.

## Regular Feature: Informational Letters – June/July 2013

The Iowa Medicaid Enterprise publishes provider bulletins, also known as informational letters, to clarify existing policy details or explain new policy. Bulletins are posted on a website. The "Endeavors Update" will highlight informational letters released in the preceding month. Topics of June/July 2013 informational letters included:

- Elective C-Section Coverage and Payment – FOLLOW UP (IL#1260)
- IowaCare Program is Ending, Enrollment Cap on July 1, 2013 (IL#1258)
- LUPA Reimbursement Methodology (IL#1256)
- Money Follows the Person Expansion and Additional Responsibilities (IL#1255)
- Private Duty Nursing / Personal Care Services for Members under Age 21 (IL#1254)
- Annual Year-End Cost Reporting of HCBS Waiver and Habilitation Service Member-Specific Limited Costs (IL#1253)
- Annual Year-End Cost Reporting of HCBS Waiver and Habilitation Service Transportation Costs (IL#1252)
- Increased Medicaid Payment for Primary Care-Retroactive Adjustments (IL#1251)
- Pharmacy Reimbursement (IL#1250)

View the complete list of informational letters by year at: <http://www.ime.state.ia.us/ProvidersBulletins.html>



## Monthly Medicaid Projections Update

The Medicaid forecasting group met in June to update the State Fiscal Year (SFY)2013 – SFY2014 Medicaid estimates. The midpoint estimates established at this meeting are provided below.

|                    | Medicaid Forecasting Group Midpoint Estimates |                 |
|--------------------|---|-----------------|
|                    | SFY13   | SFY14           |
| State Revenue      | \$1,417,044,638                               | \$1,443,478,262 |
| State Expenditures | \$1,409,044,638                               | \$1,474,478,232 |
| Year-End Balance   | \$8,000,000                                   | (\$31,000,000)  |

State expenditures are expected to increase from \$1,409.0 million in SFY2013 to \$1,474.5 million in SFY2014; a \$65.4 million increase. The primary components of this increase are summarized below.

### State Expenditures (In Millions)

|   |               |
|---|---------------|
| Estimated SFY14 Expenditure Increase  | \$65.4        |
| Federal Match Rate Changes  | \$52.0        |
| Provider Rate Increases   | \$30.9        |
| Increased Enrollment of Currently Eligible Due to Affordable Care Act Changes | \$9.0         |
| Cost Containment  | (\$28.9)      |
| Transition of Eligibility Groups to the Iowa Health and Wellness Plan         | (\$16.3)      |
| Reduced IowaCare Transfers  | (\$4.1)       |
| <b>Other Enrollment and Cost Growth</b>                                       | <b>\$22.8</b> |

The “Other Enrollment and Cost Growth” amount of \$22.8 million represents the expected growth over SFY2013 spending assuming no match rate or programmatic changes. This equates to a growth rate of approximately 1.62 percent.

## New IME Newsletter Editor Named

Lindsay Buechel has been named editor of the IME Newsletter, *Endeavors Update*. Buechel has previously been focused on member communications at the IME and looks forward to continuing the success of the IME Newsletter.

Please continue to send comments and suggestions for the newsletter to:

[IMENewsletter@dhs.state.ia.us](mailto:IMENewsletter@dhs.state.ia.us).



Lindsay Buechel,  
IME Newsletter Editor



***Iowa Medicaid programs serve Iowa's most vulnerable population, including children, the disabled and the elderly.***

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*The Iowa Medicaid Enterprise (IME) is an endeavor, started in 2005, to unite State staff with "best of breed" contractors into a performance-based model for administration of the Medicaid program.*

*The Medicaid program is funded by State and Federal governments with a total budget of approximately \$4 billion. The \$4 billion funds payments for medical claims to over 38,000 health care providers statewide.*

*Iowa Medicaid is the second largest health care payer in Iowa. The program is expected to serve over 698,000 Iowans, or 23%, of the population in State Fiscal Year 2013.*

## **Iowa Medicaid Upcoming Events:**

- |                 |   |
|-----------------|---|
| July 30:        | <b>Medicare and Medicaid's 48<sup>th</sup> Birthday!</b><br>The programs were enacted on July 30, 1965.   |
| July- August 8: | <b>IME Annual Provider Training</b><br>See full schedule here ( <a href="http://www.ime.state.ia.us/Providers/ATRegistration.html">http://www.ime.state.ia.us/Providers/ATRegistration.html</a> ) |
| July- Sept:     | <b>SIM Workgroup Meetings</b><br>See full schedule here ( <a href="http://www.ime.state.ia.us/state-innovation-models.html">http://www.ime.state.ia.us/state-innovation-models.html</a> )         |
| July 19         | <b>Clinical Advisory Committee</b><br><a href="http://www.ime.state.ia.us/MAAC/CAC_Index.html">http://www.ime.state.ia.us/MAAC/CAC_Index.html</a>   |
| August- Sept:   | <b>SIM Listening Sessions</b><br>See full schedule here ( <a href="http://www.ime.state.ia.us/state-innovation-models.html">http://www.ime.state.ia.us/state-innovation-models.html</a> )         |
| August 7        | <b>Drug Utilization and Review</b><br><a href="http://www.iadur.org/meetings">http://www.iadur.org/meetings</a>   |
| August 19       | <b>hawk-i Board</b><br><a href="http://hawk-i.org/en_US/board.html">http://hawk-i.org/en_US/board.html</a>  |
| August 22       | <b>Pharmaceutical &amp; Therapeutics Committee</b><br><a href="https://www.iowamedicaidpdl.com/pt_committee_info">https://www.iowamedicaidpdl.com/pt_committee_info</a>                           |

*This update is provided in the spirit of information and education.*

*The Department shall not be liable for any damages that may result from errors or omissions in information distributed in this update.*